

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

| | Last Month | Last 3 Months | Last 1 Year | Last 3 Years* | Last 5 Years* |
|------------------|---------------|------------------|----------------|------------------|------------------|
| Capital Guardian | -11.56% | -17.20% | -26.81% | 0.36% | 6.67% |
| MSCI World | -11.86% | -15.18% | -23.97% | 1.14% | 7.76% |

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

World Markets - September Stocks, non-government bonds and commodities plummeted as concerted government actions to stem the deepest financial crisis in the post-war era met with only partial success. U.S. authorities nationalized the country's two major mortgage agencies, took over a leading insurer, pushed for the passage of a \$700 billion financial rescue package and arranged the buyout of several banks, averting a total market breakdown. The U.K. nationalized one mortgage lender and facilitated the takeover of another, while Ireland extended its sovereign guarantee to most bank obligations. However, the U.S. decision to allow the failure of Lehman Brothers and the repudiation of select unsecured bond and preferred stock obligations roiled credit markets, with money markets coming to a near-halt and corporate bonds tumbling. Major central banks flooded markets with liquidity but impaired capital markets kept credit from flowing to households and businesses, fueling fears that a slowing global economy could slide into a recession. Stocks fell worldwide, commodities retreated, government bonds rallied and the dollar rose against most currencies.

September Portfolio Attribution: Stock selection in information technology helped in September. Sandisk Corp. (0.7% of the portfolio) was up 24%. Underweighting and stock selection in financials detracted from results. ING Groep (0.8%) and Goldman Sachs (1.1%) were down 22% and 33% respectively. Underweighting and stock selection in the U.S. hurt results. Schlumberger Ltd (1.5%) was down 17%, Cleveland Cliffs Inc. (0.4%) was down 48%, and Genentech (2.2%) was down 10%.

Rolling 3-month Attribution: Overweighting and stock selection in Canada detracted from results (Potash Corp, Canadian Natural Resources). Underweighting and stock selection in the U.S. also hurt results (Fannie Mae, Freddie Mac, Schlumberger). Stock selection in health care helped (Genentech, Imclone Systems, Abbott Labs).

Outlook and Strategy: As U.S. financial and economic problems continue to spread across the globe, many developed economies appear likely to enter a recession. In both the U.S. and parts of Europe, the deepening financial crisis and weak housing markets remain a huge constraint on economic growth. The Japanese economy also remains sluggish, hindered by political instability. The likelihood of further turmoil for financial companies - coupled with the prospect of increased regulation and reduced profit growth over the medium term - has reinforced our conviction in our underweight position in the sector. As the global economy slows, demand for raw materials and oil may continue to fall, a concern that has prompted some portfolio managers to reduce holdings in a number of energy and materials stocks. Our reductions in certain areas have allowed us to invest in companies we believe are better placed to meet the challenges ahead. We have increased our holdings in a range of consumer staples companies, whose profits should hold up well in tough market conditions, as well as health care stocks. Information technology remains a key theme in the portfolio, as we expect many companies in the sector to benefit from strong balance sheets and exposure to market trends that will remain robust even as the economy slows.

ORGANIZATIONAL/PERSONNEL CHANGES

No significant personnel changes occurred during the month of September. There will be personnel changes for October.

ACCOUNT TURNOVER

| | | |
|---------|-----------------------|--------------------------------------------------------------------------------------------|
| Gained: | Number of Accounts: | Total Market Value (\$m): |
| Lost: | Number of Accounts: 2 | Total Market Value (\$m): \$ 556.0 |
| | Reason(s): | These were global equity ex-Canada accounts which were terminated for performance reasons. |

MANAGER STYLE SUMMARY

Capital Guardian is a "bottom-up" manager, focusing on individual security selection in light of macroeconomic factors (country, sectors, currency). Capital Guardian's investment process is unique in that it is essentially a portfolio of 10 independently managed portfolios consisting of one U.S., one North America, three non-U.S., and five global managers (one of which is the research portfolio). Portfolio manager allocations are based on portfolio management experience.

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PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

| Portfolio Guideline: | Index | CGTC | Calc | Min | Max | Compliance |
|-------------------------------------------------------------------------------------------------------------------|-------|------|------|-----|-----------------------------------------|-----------------------------|
| B3. Security position <= 5% of the account @ purchase | | | | | | ok |
| B4. Number of issues | 240 | | | 200 | 250 | ok |
| B5. Normal Country Exposures: | | | | | | |
| United States | 44% | | | | 75% | ok |
| Emerging Markets | 5% | | | | 10% | ok |
| The following are limited to the larger of 25% of the total portfolio or 2 times the MSCI World benchmark weight: | | | | | | |
| Japan | 10% | 13% | 1.3 | | 25% | ok |
| United Kingdom | 10% | 8% | 0.8 | | 25% | ok |
| Germany | 4% | 2% | 0.4 | | 25% | ok |
| France | 5% | 7% | 1.4 | | 25% | ok |
| Switzerland | 4% | 5% | 1.4 | | 25% | ok |
| The following are limited to the larger of 10% of the total portfolio or 3 times the MSCI World benchmark weight: | | | | | | |
| Other MSCI World (incl Can) | 13% | 16% | 1.3 | | 10% | ok |
| B6. Normal International Portfolio Characteristics (MSCI EAFE) | | | | | | |
| Capitalization (wtd avg) | 49 | 41 | 84% | 60% | 100% | ok |
| Price/Earnings (trail) | 9.8 | 10.7 | 109% | 80% | 135% | ok |
| Dividend Yield | 4.2 | 3.2 | 77% | 80% | 105% | check |
| Price/Book Value | 1.6 | 2.0 | 126% | 90% | 120% | check |
| B7. Normal U.S. Portfolio Characteristics (Russell 3000) | | | | | | |
| Capitalization (wtd avg) | 71 | 68 | 96% | 40% | 75% | check |
| Price/Earnings (trail) | 14.0 | 15.3 | 109% | 90% | 125% | ok |
| Dividend Yield | 2.3 | 1.6 | 72% | 70% | 110% | ok |
| Price/Book Value | 2.1 | 2.2 | 106% | 70% | 105% | check |
| C1. Currency or cross-currency position <= value of hedged securities | | | | | | ok |
| No executed forward w/o a corresponding securities position. | | | | | | ok |
| C2. Max forward w/ counterpart <= 30% of total mv of account | | | | | | ok |
| F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities | | | | | | ok |
| F3. Annual turnover | 63% | | | | 120% | ok |
| The portfolio is in compliance with all other aspects of the Portfolio Guidelines | | | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

| | |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| B6. Dividend Yield: | Through our bottom-up stock selection process, we are holding names that on average have a relatively low dividend yield. |
| B6. Price/Book Value: | Through our bottom-up stock selection process, we are holding names that on average have a relatively high price to book value. |
| B7. Capitalization (wtd avg): | Through our bottom-up stock selection process, we are holding names that on average have a relatively high market capitalization. |
| B7. Price/Book Value: | Through our bottom-up stock selection process, we are holding names that on average have a relatively high price to book value. |